

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re the Application of:

Youji KOHDA et al.

Serial No. 09/766,646

Group Art Unit: 3622

Confirmation No. 4296

Filed: January 23, 2001

Examiner: Arthur D. Duran

For: ONLINE SALES PROMOTION METHOD AND DEVICE

**REPLY BRIEF**

Commissioner for Patents  
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Alexandria, VA 22313-1450

This is in response to the Examiner's Answer mailed October 30, 2008. On pages 5-24 of the Examiner's Answer, the Examiner repeated verbatim the rejections from the Office Action mailed on November 6, 2007. Those rejections were addressed in the corrected Appeal Brief filed on September 12, 2008, to which the Examiner's Answer is directed. This Reply Brief will address the Examiner's New Grounds of Rejection, presented on pages 24-25 of the action, and the Examiner's Response to Argument, presented on pages 25-35 of the action.

**Examiner's New Grounds of Rejection**

On pages 24-25 of the action the Examiner rejected claims 1, 6-10, and 23-26 under 35 U.S.C. §101, alleging that the claimed invention is directed to non-statutory subject matter. The Examiner alleged that the method claim must (1) be tied to another statutory class of invention (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

The Applicants respectfully traverse the Examiner's new rejections. Claim 1, for example, is directed to an online sales promotion method used in a system to purchase a product over a network. As the method is performed over a network, then the method is apparently tied to a machine, which is within the statutory subject matter.

More importantly, claim 1, for example, recites, "receiving additional information regarding the product identified by said product information, and the cart identification information, from said third party product provider" and "associating said received additional information with said cart identification information according to the determination result" thereby "notifying said first user of said received product information and additional information." As such, online sales promotion is achieved when information content of the cart of the first user is transformed (i.e., changed) based on the received additional information from the third party product provider. In other words, advertisement data at least is added to the cart data and "notifying said first user of said received product information and additional information" necessarily indicates that the data is "an article." That means that the claimed process is tied to something real (i.e., viewable data), and cannot be an idea or concept separated from or floating above or apart from real things.

The May 15, 2008 memorandum, by the Deputy Commissioner for Patent Examining Policy, regarding statutory subject matter and process claims is no longer applicable or consistent with current case law.

In view of the recent decision of In re Bilski, \_\_ F.3d \_\_ (Fed. Cir. Oct. 30, 2008), the test set forth in this PTO memorandum is preempted by this Federal Circuit decision and the particularly set forth test therein. Though the PTO memorandum may recite such words as "tied to another statutory category (such as a particular apparatus)" and "transform underlying subject matter (such as an article or material) to a different state or thing", the test in the PTO memorandum is not the same as the Federal Circuit's, which explains different acceptable examples and provides different guidelines for similarly phrased test elements.

In re Bilski particularly defines that the proper test for whether the claim as a whole is statutory subject matter is the machine-or-transformation test. "A claim that is tied to a particular machine or brings about a particular transformation of a particular article does not pre-empt all uses of a fundamental principle in any field but rather is limited to a particular use, a specific application."

Here, it is equally noted that the "useful, concrete, and tangible result" test set forth in State Street Bank & Trust Company v. Signature Financial Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998), has also been held "inadequate" by the Federal Circuit in In re Bilski. ("Therefore, we also conclude that the 'useful, concrete and tangible result' inquiry is inadequate and reaffirm that the machine-or-transformation test outlined by the Supreme Court is the proper test to apply" ... "As a result, those portions of our opinions in State Street and AT&T relying solely on a 'useful, concrete and tangible result' analysis should no longer be relied upon").

With regard to the In re Bilski machine-or-transformation test, In re Bilski further explains that this test is: "a two-branched inquiry; an applicant may show that a process claim satisfies § 101 either by showing that his claim is tied to a particular machine, or by showing that his claim transforms an article...A claimed process is patent-eligible if it transforms an article into a different state or thing. This transformation must be central to the purpose of the claimed process." See the In re Bilski decision at page 24.

**Bilski further clarifies that a claim directed to the transformation of "data", with the data being the article, can be statutory, implying that such a claim should still give some explanation of the particular type or nature of the data, how or from where the data was obtained, or what the data represented. See the In re Bilski decision at page at 25-26.**

Also, see the In re Bilski decision at page 23, reciting:

"In AT&T, we rejected a "physical limitations" test and noted that "the mere fact that a claimed invention involves inputting numbers, calculating numbers, outputting numbers, and storing numbers, in and of itself, would not render it nonstatutory subject matter." 172 F.3d at 1359 (quoting State St., 149 F.3d at 1374). The same reasoning applies when the claim at issue recites fundamental principles other than mathematical algorithms. Thus, the proper inquiry under § 101 is not whether the process claim recites sufficient "physical steps," but rather whether the claim meets the machine-or-transformation test."

Thus, according to In re Bilski, the "article" aspect of the machine-or-transformation test is not limited to physical devices or compounds, and specifically not limited to something that would fall within a statutory class. For example, an article can be something that is representative of a physical (or physically observable) object or substance. See the In re Bilski decision at page 26. The Federal Circuit uses the above example of a claim that only inputs numbers, calculates numbers, outputs numbers, and stores numbers, as still being potentially statutory under 35 USC §101, e.g., even though numbers by themselves would not fall within a statutory class.

Thus, an acceptable transformation can be of data, e.g., which represents something observable, as long as it is clear as to the specifics of the data that is transformed for the resultant information to avoid preempting all transformations. The transformation must also be central to the purpose of the claimed process.

As only an example, independent claim 1 recites the alteration of the data notified to the first user at least through notifying the user of the received product information and additional information, which is different (altered) from just seeing the cart data itself.

Thus, as an example, independent claim 1 clearly meets at least the transformation portion of the Federal Circuit's machine-or-transformation test. Therefore, as the other rejected claims either recite similar features or depend from independent claims which recite similar features, the Applicants respectfully submit that claims 1, 6-10, and 23-26 satisfy the requirements of 35 U.S.C. §101, and further respectfully request the withdrawal of the Examiner's §101 rejections of these claims.

#### Examiner's Response To Argument

In item 10 on pages 25-35 the Examiner provided a response to the arguments presented in the corrected Appeal Brief filed on September 12, 2008.

The crux of the Applicants' arguments are that none of the cited references disclose or suggest all of the features of, for example, claim 1, because none of these references disclose, suggest, nor contemplate at least the following feature of claim 1:

"receiving, from the first user, designation information of a third party product provider which the first user permits to view the cart identification information and to view product information which the first user associates with the cart identification information, and which provides a product related to the viewed product information as well as additional information related to the viewed product information, said third party product provider not having permission to view the cart identification and product information before receipt of the designation information"

The Applicants have provided a great deal of evidence in support of this assertion, over the last several Amendments/Responses and Appeal Brief, and it would appear that the Examiner has not addressed all of the arguments, and further has still not shown any such features in the cited references.

The Examiner alleged that the features recited above are disclosed in Allibhoy. However, the Applicants respectfully maintain that Allibhoy does not contemplate any such authorization from a user to a third party product provider to view cart information and then provide further information, and in fact does not contemplate letting a third party see the cart information at all, and nothing in the Examiner's new Response to Argument cures those deficiencies.

In the first paragraph on page 28 of the Response the Examiner discusses Figure 20b of the present application, alleging that the third party can be the same party as the product in the shopper's cart or it can be a competitor company to a product in the shopper's cart (The Examiner is addressing the message from the manufacturer Kao in Takatoriya's cart).

The Applicants respectfully submit that the Examiner has again apparently confused the issues at hand. All the Examiner has identified in his example is a company that has previously been given permission by the user to view the cart information and send additional information. For instance, Figure 15C shows one embodiment of how to maintain the list of who may receive the cart information. It is apparent in Figure 20B that Kao has been previously selected, which offers only support for the Applicants' arguments, and provides no support for the Examiner's rejections.

The Examiner then discusses the fact that a user utilizes a shopping cart in Allibhoy, and may request further information on the products.

Again, the Applicants respectfully submit that this characterization of Allibhoy offers no support for the Examiner's rejection of claim 1. The user in Allibhoy receives enhanced television content, such as an icon advertising a product, and can click on such an icon to place the product in a shopping cart. The user can then request more information from the product provider. However, this has nothing to do with the features of claim 1. It is apparent that the product provider of Allibhoy made advertisement contact with the user before any such request by the user. Therefore, the user did not authorize the product provider to provide such information **before** receiving the advertisement. Asking a product provider for further information on a product after receiving an unauthorized advertisement from that provider in no way anticipates the features of claim 1 of the present application, which recites "said third party product provider not having permission to view the cart identification and product information before receipt of the designation information." Further, there is nothing in Allibhoy to suggest that the provider sees the cart information, either. The provider is merely asked about the provider's own product for which he sent an unsolicited advertisement.

At the end of page 28 the Examiner discusses the controller of Allibhoy, which enforces various business rules regarding content providers' advertising and operation. Again, Allibhoy merely allows content providers to advertise on the user's television, and the user can then pick an advertised product for purchase. The controller ensures smooth transactions. The Applicants respectfully submit that this has nothing to do with the claim 1 features at issue.

On page 29 of the Response the Examiner alleged, citing claims 16 and 19 of Allibhoy, that Allibhoy discloses a user designating which content providers are allowed to interact with the user or see the user's shopping cart, allowing the third party product providers to send content to the user only after receiving permission from the user.

The Applicants respectfully submit that there is no support anywhere in the reference for this statement by the Examiner. It is certainly not in the cited claims, which only recite that a

transaction may proceed if parameters of a user profile are satisfied. This fails to support a rejection of claim 1 on several levels. First, it is only the permitted transaction cited by the Examiner is simply a request sent from a user to a product provider that was caused by the product provider's advertisement. Therefore, again, the transaction was caused by an unsolicited advertisement which would be precluded by the method of claim 1. Second, while the third party parameters that control the transaction include a user profile, Allibhoy makes it very clear that the user profile contains information such as geographic location of the user (Paragraph [0070]) and other such generic information that indicate whether a user is suited for actually receiving a product that was the subject of the unsolicited advertisement already seen by the user. In other words, a user receives an unsolicited advertisement, attempts to get more information, and the controller may forbid it. This is in no way related to the discussed features of claim 1.

The Examiner then alleged that Allibhoy further discloses allowing the third party product providers to send content to the user only after receiving permission from the user, citing paragraph [0159].

The Applicants respectfully submit that the Examiner has mischaracterized this portion of Allibhoy. Paragraph [0159] discusses a trigger information filter defined by the user's profile. The discussed triggers indicate that the unsolicited advertisements that are within the enhanced data. The user can set generic qualities in the filter to keep out certain kinds of triggers, but this is not related to sending information to any one third party product provider. Even if, for the sake of argument, one could consider setting the filter to allow one certain company to provide information through the trigger, there would be no (1) notifying the third party product provider of the fact as recited in claim 1, nor (2) viewing of cart information by that party, nor (3) receiving additional information pertaining to the cart information by that party. The Applicants respectfully submit that the trigger filter is not related to the user authorizing a third party product provider to view cart information and provide further related information. Rather, the party in Allibhoy would simply still be sending unsolicited advertisements.

The Examiner spends much of page 30 describing that the trigger filter can be set to provide a content provider, etc. However, the Applicants note that the Examiner has gone back to paragraph [0137] for this information, which discusses the possibilities of different things that triggers can be used for. However, in the next paragraph the Examiner cites paragraph [0162], seemingly implying that a user may set a trigger filter for that one content provider, when the paragraph is actually disclosing that a user may want to monitor certain news channels and the like.

However, yet again, the user does not authorize (in Allibhoy) any third party product provider to view any cart information and provide related information. Further, the third party is not notified that the trigger is able to be sent. The controller of Allibhoy filters out the triggers according to the user profile. This is not tantamount to notifying a third party product provider of any authorization or cart identification information. The provider of Allibhoy would receive neither notice nor cart identification information, which again shows that Allibhoy is completely unrelated to claim 1 of the present application.

Regarding these triggers and filters, it bears repeating that the controller of Allibhoy simply filters out content providers according to the user profile. This in no way suggests a user designating an actual third party product provider to view cart information, that provider receiving the cart information, and then sending related information to the viewer. While the Examiner's allegation that "Allibhoy discloses allowing the third party product providers to send content to the user only after receiving permission from the user" may be true, this statement completely fails to consider the actual recited features of claim 1, for which Allibhoy falls extremely short of contemplating.

After these allegations, in the second paragraph of page 31 the Examiner alleges:

Hence, as shown above, Allibhoy discloses receiving, from the first user, designation information of a third party product provider which the first user permits to communicate with the user, and which provides a product related to the viewed product information as well as additional information related to the viewed product information, said third party product provider not having permission to communicate with the user before receipt of the designation information.

This allegation is meaningless at least for the fact that the Examiner has chosen to ignore the feature in which the user has designated the third party product provider to view cart information, which is not contemplated in Allibhoy. Yet the Examiner goes on to list viewed product information in the allegation. The alleged provider of Allibhoy has viewed no information, and further has not been notified of the information, so the Examiner's allegation is in error.

The Examiner then acknowledges that Allibhoy does not disclose the content provider viewing the cart information "when communicating with the shopper" (which is not the recited claim language). The Examiner then stated that the controller sees the shopper's shopping cart and communicates with the user to provide further product information. The Examiner couples this statement with content provider advertising being placed on the screen while the shopper is viewing a shopping cart.

The Examiner apparently offered this information in order to then state that since the content provider is connected through the same network as the controller, and that the shopper and content provider can therefore communicate directly.

The Applicants fail to see what kind of support the Examiner is attempting to construct with these statements. The Examiner has essentially admitted that the content provider can simply send advertisement information to the user to be viewed with the cart without any prior authorization, and then the user can contact the content provider directly. The Applicants respectfully submit that the Examiner has therefore shown without a doubt that Allibhoy does not contemplate the discussed features of claim 1.

In other words, as plainly shown by both the Applicants and the Examiner, the user of Allibhoy receives unsolicited advertisements from providers, and then may pursue buying a product from them. The provider did not receive any notification that it could view the user's cart information before sending the advertisement, and will not be able to view the user's cart information even after sending the advertisement. Allibhoy does not disclose, suggest, nor contemplate receiving, from a first user, information designating a third party product provider to view cart information, notifying that third party of the cart information, and receiving from the third party product provider additional information regarding cart information. Rather, Allibhoy merely lets content providers send advertisement information to a viewer, and that viewer may decide to make a purchase from the provider (who will have no access to the cart information maintained by the controller). Allibhoy does not seem to be related to claim 1 at all, except for the aspect of shopping.

The Examiner then finishes this discussion with a discussion of direct communication during the time of shopping cart use, and upsell dynamics from the Notz references, neither of which has any discernible relation to the claims. The Examiner makes the curious allegation that "it is obvious that the Allibhoy's Content Provider, who already communicates with shopper directly, provides further product information, and advertises to the shopper during shopping, can see the shopper's cart as the Controller of Allibhoy or the merchant of Notz does." The Applicants find no support for such an allegation, and even if it were true this again shows that no prior authorization was made. The allegations made by the Examiner regarding these references therefore fail on most every level regarding this discussed feature of claim 1.

The Applicant further respectfully submits that the boilerplate assertions by the Examiner regarding motivation for combining the art do not overcome the Applicants' traversal of same, as the Examiner offered no actual answers to the points raised regarding Hoyle and Allibhoy. The Applicants respectfully submit that the Examiner's failure to properly rebut the Applicants'

traversal should be considered tacit acceptance of the Applicants' arguments, and the §103 rejections should then be withdrawn at least for this fact.

Conclusion

For at least the above reasons, it is respectfully submitted that claim 1 patentably distinguishes over the cited references. Also, as independent claims 11-12, 14, and 21-23 recite similar features to those discussed above in regard to claim 1, and which are not disclosed or suggested by the cited references, it is respectfully submitted that claims 11-12, 14, and 21-23 also patentably distinguish over the cited references.

Claims 2-10 depend from claim 1, claims 15-20 depend from claim 14, and claims 24-26 depend from claim 23. These dependent claims include all of the features of the independent claims upon which they respectively depend, plus additional features which are not disclosed or suggested by the cited references. Therefore, it is respectfully submitted that claims 2-10, 15-20, and 24-26 also patentably distinguish over the cited references.

Reversal of the Examiner's rejections is respectfully requested.

If any fee is required with respect to this Reply Brief, please charge same to our Deposit Account No. 19-3935.

Respectfully submitted,  
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